

**THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

GALLERIA 2425 OWNER, LLC,

Debtor.

## Chapter 11

Case No. 23-34815

**2425 WL, LLC'S STATEMENT OF THE ISSUES AND DESIGNATION OF  
ITEMS FOR RECORD ON APPEAL OF ORDER DISALLOWING PROOF OF  
CLAIM AND REFERRAL TO UNITED STATES ATTORNEY**

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure, Creditor 2425 WL, LLC hereby submits this: (a) Statement of the Issues Presented on Appeal; and (b) Designation of Items to be Included on Record on Appeal in connection with their appeal of the following orders:

- a. Order Disallowing Proof of Claim and Referral to United States Attorney (the “Disallowance Order”) dated September 9, 2024 (Dkt. No. 717); and
- b. the Order Denying Motion to Reconsider (the “Reconsideration Order”) dated September 24, 2024 (Dkt. No. 743).

That appeal is before the United States District Court for the Southern District of Texas:  
4:24-cv-3834.

## ISSUES ON APPEAL

On September 9, 2024, the Court entered an Order Disallowing Proof of Claim and Referral to United States Attorney (Dkt. No. 717). That order disallowed Proof of Claim 7 (the “Proof of Claim”), in the amount of \$22,968,231.58, which was filed by 2425 WL, LLC. In that order, the Court deemed the Promissory Note and Deed of Trust on which the claim was based to be “fraudulent.” The Order also refers the matter to the United States Attorney for investigation.

This order gives rise to the following issues:

- I. Is there any evidence to support the Bankruptcy Court’s conclusion that the Proof of Claim was fraudulent?
- II. Was it improper for the Bankruptcy Court to base its decision disallowing 2425 WL, LLC’s Proof of Claim on the testimony of witnesses who were not disclosed until two days before the hearing?
- III. Is the Order Disallowing Proof of Claim rendered moot by the disallowance of the Proof of Claim in Galleria 2425 WL Owner, LLC’s plan of reorganization?

## DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL

The following items from the bankruptcy case and adversary proceeding are to be included in the record on appeal. Each designated item shall also include any and all exhibits and documents annexed to and referenced within such items.

| Dkt. No. | DESCRIPTION   |
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|          | Docket Report   |
| 1        | Chapter 11 Voluntary Petition Non-Individual Fee Amount \$1738 Filed by Galleria 2425 Owner, LLC. Chapter 11 Plan (Small Business) due by 06/3/2024.  |
| 402      | Objection to Claim Number 7 by Claimant 2425 WL LLC Hearing scheduled for 7/24/2024 at 11:00 AM at Houston, Courtroom 403 (JPN). (Attachments: # 1 Proposed Order # 2 Declaration of Christopher R. Murray # 3 Exhibit A - 2425 WL Deed of Trust # 4 Exhibit B - Foreign Registration Application |

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|     | # 5 Exhibit C - NBK Loan Agreement # 6 Exhibit D - NBK Note # 7 Exhibit E - NBK Deed of Trust # 8 Exhibit F - NBK Assignment of Leases and Rents # 9 Exhibit G - Sworn Document Transferring Tax Lien # 10 Exhibit H - Tax Lien Contract # 11 Exhibit I - Galleria 2425 JV Company Agreement # 12 Exhibit J - Galleria 2425 JV Unanimous Consent # 13 Exhibit K - 2425 WL Promissory Note # 14 Exhibit L - Settlement Statement for 2018 Transaction)  |
| 566 | Order Confirming Chapter 11 Plan of Liquidation of the Debtor by National Bank of Kuwait, S.A.K.P New York Branch Signed on 6/22/2024  |
| 595 | Response (related document(s):402 Objection to Claim). (Attachments: # 1 Proposed Order)   |
| 632 | Reply (related document(s):402 Objection to Claim, 403 Objection to Claim, 404 Objection to Claim, 591 Response, 592 Response, 593 Response, 594 Response, 595 Response)   |
| 633 | Witness List, Exhibit List (Filed By Christopher R Murray ).(Related document(s):402 Objection to Claim, 403 Objection to Claim, 404 Objection to Claim) (Attachments: # 1 Exhibit 1 - Proof of Claim No. 7 (Amended) # 2 Exhibit 2 - CFPB Appendix A to Part 1024 # 3 Exhibit 3 - 2021 Complaint against NBK # 4 Exhibit 4 - Loan Agreement between Debtor and NBK # 5 Exhibit 5 - Note Issued by Debtor to NBK # 6 Exhibit 6 - Deed of Trust Granted by Debtor to NBK # 7 Exhibit 7 - Assignment of Leases and Rents Debtor to NBK # 8 Exhibit 8 - Sworn Document Authorizing Transfer of Tax Lien # 9 Exhibit 9 - Tax Lien Contract # 10 Exhibit 10 - Debtor Corporate Org Chart # 11 Exhibit 11 - Debtor's Application for Registration as a Foreign LLC # 12 Exhibit 12 - Galleria 2425 JV, LLC Company Agreement dated 5/23/2018 # 13 Exhibit 13 - Galleria 2425 JV, LLC Application for Registration as a Foreign LLC # 14 Exhibit 14 - Galleria 2425 JV, LLC Unanimous Consent of Members 2021 # 15 Exhibit 15 - Notice of Deposition and Subpoena DT # 16 Exhibit 16 - Deposition Subpoena # 17 Exhibit 17 - Document Subpoena # 18 Exhibit 18 - June 7, 2024 Emails re Discovery # 19 Exhibit 19 - Notice of Appearance of Mark Smith # 20 Exhibit 20 - June 26, 2024, Emails re Discovery # 21 Exhibit 21 - July 16, 2024, Email re Discovery # 22 Exhibit 22 - Proof of Claim No. 21 # 23 Exhibit 23 - Assignment of Tax Liens # 24 Exhibit 24 - Plaintiff's Third Amended Complaint in AP No. 24-03120 # 25 Exhibit 25 - Proof of Claim No. 22 # 26 Exhibit 26 - Confidential Settlement Agreement # 27 Exhibit 27 - Ali Choudhri Net Worth Affidavit # 28 Exhibit 28 - Proof of Claim No. 23 # 29 Exhibit 30 - Lease and Amendments with Jetall Comanies, Inc. # 30 Exhibit 30 - Debtor's Schedules and SOFA # 31 Exhibit 31 - Proof of Claim No. 24 # 32 Exhibit 32 - Hearing Transcript 1.31.24 # 33 Exhibit 33 - Internal Notes of NBK on Loan) |
| 635 | Witness List, Exhibit List (Filed By 2425 WL, LLC ).(Related document(s):595 Response) (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6 # 7 Exhibit 7 # 8 Exhibit 8 # 9 Exhibit 9 # 10 Exhibit 10 # 11 Exhibit 11 # 12 Exhibit 12)  |

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| 636 | Witness List, Exhibit List (Filed By National Bank of Kuwait, S.A.K.P., New York Branch ).(Related document(s):402 Objection to Claim, 403 Objection to Claim, 404 Objection to Claim, 575 Application for Compensation) (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6 # 7 Exhibit 7 # 8 Exhibit 8 # 9 Exhibit 9 # 10 Exhibit 10)  |
| 637 | Witness List, Exhibit List (Filed By 2425 WL, LLC ).(Related document(s):635 Witness List, Exhibit List) (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6 # 7 Exhibit 7 # 8 Exhibit 8 # 9 Exhibit 9 # 10 Exhibit 10 # 11 Exhibit 11 # 12 Exhibit 12 # 13 Exhibit 13)  |
| 638 | Witness List, Exhibit List (Filed By Ali Choudhri ).(Related document(s):592 Response) (Attachments: # 1 Exhibit 1 # 2 Exhibit 2)  |
| 641 | Witness List, Exhibit List (Filed By Christopher R Murray ).(Related document(s):402 Objection to Claim, 403 Objection to Claim, 404 Objection to Claim, 633 Witness List, Exhibit List) (Attachments: # 1 Exhibit 34 -Choudhri Intervening Petition # 2 Exhibit 35 - HCDC Order requiring Bond and Payments # 3 Exhibit 36 - HCDC Certificate of Cash in Lieu of Bond (\$400k) # 4 Exhibit 37 - HCDC Certificate of Cash in Lieu of Bond (\$80k))   |
| 692 | Witness List, Exhibit List (Filed By Christopher R Murray ).(Related document(s):402 Objection to Claim) (Attachments: # 1 Exhibit 1 - POC No. 7 (Amended) # 2 Exhibit 2 - Purported 2425 WL Note # 3 Exhibit 3 - Purported 2425 WL Deed of Trust # 4 Exhibit 4 - Settlement Statement re 5/23/2018 Transaction # 5 Exhibit 5 - 01.31.24 Hearing Transcript # 6 Exhibit 6 - 12 C.F.R. Pt. 1024, App. A (Westlaw) # 7 Exhibit 7 - NBK Loan Memo # 8 Exhibit 8 - NBK Loan Agreement # 9 Exhibit 9 - NBK Note # 10 Exhibit 10 - NBK Deed of Trust # 11 Exhibit 11 - NBK Assignment of Rents # 12 Exhibit 12 - Mezzanine Loan Agreement # 13 Exhibit 13 - Authorization of Transfer of Tax Lien # 14 Exhibit 14 - Tax Lien Contract # 15 Exhibit 15 - Zaheer Drawing of Debtor's Corporate Structure # 16 Exhibit 16 - Debtor Foreign LLC Registration # 17 Exhibit 17 - Galleria 2425 JV Foreign LLC Application # 18 Exhibit 18 - 05.23.2018 Galleria 2425 JV Company Agreement # 19 Exhibit 19 - Galleria 2425 JV Unanimous Consent # 20 Exhibit 20 - Notice of Rejection in Stage Stores Bankruptcy # 21 Exhibit 21 - 9.14.2021 Notice of Foreclosure NBK # 22 Exhibit 22 - Debtor's Original Petition Against NBK # 23 Exhibit 23 - 09.15.2021 Notice of Foreclosure by 2425 WL LLC # 24 Exhibit 24 - Unrecorded Substitute Trustee's Deed # 25 Exhibit 25 - Written Discovery on 2425 WL LLC # 26 Exhibit 26 - 07.30.2024 Email from R. Shannon to G. Burks re Written Discovery on 2425 WL LLC # 27 Exhibit 27 - Shannon Declaration re Deemed Admissions in Connection with Written Discovery) |
| 717 | Order Disallowing Proof of Claim and Referral to United States Attorney (the "Disallowance Order") dated September 9, 2024 (Dkt. No. 717)  |

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| 729 | Transcript of hearing before the Bankruptcy Court conducted on September 6, 2024                        |
| 740 | Motion to Reconsider (related document(s):717 Order on Claim Objection). Filed by Creditor 2425 WL, LLC |
| 743 | Order on Motion for Reconsideration   |
| 769 | Notice of Appeal  |

Appellant reserves the right to amend, modify, and/or supplement the foregoing statement of issues and designations and/or object, or otherwise supplement or move to strike or modify, some or all of the appellees' counter-designation of additional items to be included in the record on appeal and/or cross-statement of issues on appeal. This filing is made expressly subject to, and without waiver of any and all rights, remedies, challenges, and objections.

Respectfully submitted,

*/s/ J. Carl Cecere*

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Ali Choudhri*

### CERTIFICATE OF SERVICE

The undersigned certifies that on this 21st day of October, 2024, a true and correct copy of the foregoing was served on the following in accordance with the CM/ECF e-filing system, and upon all others who have consented to service in this case by registering to receive notices in this case through the CM/ECF e-filing system.

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/s/ J. Carl Cecere

**J. Carl Cecere**